Consumer Protection Act

815. SHRI N.R. GOVINDARAJAR: Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether any assessment has been made regarding the impact of implementation of Consumer Protection Act in our country;

(b) if so, the details thereof;

(c) the number of consumer complaints received and those dismissed on technical grounds during each of the last three years;

(d) the nature and details of complaints received by the consumer forum and average time taken to pass a judgement;

(e) whether Government proposes to enact a comprehensive law to ensure timely justice to consumers in a consumer friendly environment and make companies more responsive to consumers; and

(f) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (SHRI TASLIMUDDIN): (a) and (b) The Department of Consumer Affairs has not made any assessment regarding the impact of the implementation of Consumer Protection Act, 1986 in the country. However, the Comptroller and Auditor General of India had carried out a performance Audit of the Implementation of the Consumer Protection Act & Rules and submitted its report, for the year ended March, 2005. The Highlights of the Report and summary of Recommendations made therein are at Statement-I and II respectively (*See* below).

(c) As informed by National Consumer Disputes Redressal Commission (National Commission), the number of complaints filed in the three-tier Consumer Disputes Redressal Agencies (Consumer Fora) during each of the last three years, *i.e.* 2005, 2006 & 2007 is given below:

Sl. No.	Name of Agency	2005	2006	2007
1.	National Commission	3878	5222	4866
2.	State Commissions	33323	36613	34843
3.	District Fora	128764	131183	125689

Separate Statistics regarding dismissal on technical grounds is not being maintained by the National Commission.

(d) As informed by National Commission, most of the cases filed before the Consumer Fora relate to Banking, Medical, Telephone, Insurance, Housing, Electricity, Airlines, Railways, etc. The Commission has further informed that no data with regard to average time taken for deciding the case by the Consumer Fora is being maintained.

(e) and (f) No, Sir. The Consumer Protection Act, 1986 is already comprehensive enough since the provisions of the Act cover goods & services which a consumer has purchased or availed of for a consideration.

Statement-I

Performance Audit of the implementation of the Consumer Protection Act and Rules

Highlights

The Government of India introduced the Consumer Protection Act, 1986 (the Act) with a view to providing simple, speedy and inexpensive redressal of consumer grievances. The Act envisaged the setting up of Consumer Protection Councils at various levels namely District, State and National level

to review and initiate further efforts needed to secure this objective. During the audit of the adequacy and effectiveness of the consumer protection measures of the Central and the State Governments relating to the implementation of the Act, the following deficiencies were noticed.

- There were delays extending upto 54 months in establishing the consumer courts from the date of notification. The additional benches recommended by the Government of India and the State Commissions in view of the large pendency of complaints were not created by the State Governments often citing financial crunch as the reason.
- There was no documented policy outlining the priorities of the Government of India for the creation and strengthening of the adjudication mechanism and ensuring greater involvement of State or District Administration or Non Government Organisations for promotion of awareness and empowerment of consumers.
- Delay in making Rules/Regulations had affected the programme adversely as different practices were adopted for disposal of complaints by various authorities. An amount of Rs. 6 crore representing deposits realized on appeals and revision petitions remained out of Government account.
- There was delay of over 15 years in prescribing the time limit for disposal of complaints leading to inconvenience to consumers and accumulation of cases.
- The Consumer Protection Councils at all the three levels were not functioning effectively and the follow up action was not monitored centrally through the Working Group as required.
- An independent survey conducted at the instance of Audit corroborated delays in disposal of complaints and enforcement of decisions, high proportion of advocate's fee in the costs of redressal (82 percent), lack of awareness of consumers at large about the Act and the redressal mechanism and ineffective role of NGOs in furthering the interest of consumers. Thus the central legislation was not quite effective in ensuring speedy and inexpensive redressal of consumer grievances.

Statement-II

Details of Summary of Recommendations made in the Report

- The Ministry may effectively pursue with the Planning Commission for approval to the release of the funds projected in the Action Plan so that the consumer protection measures can be more effectively undertaken at all levels.
- The Ministry should in close coordination with the State Governments increasingly involve NGOs/VCOs in promoting awareness of the consumer protection measures among consumer by introducing specific schemes of financial and other support. At the same time, the accountability of the NGOs/VCOs has to be ensured.
- The Ministry may critically review the status of creation and operationalising the Consumer Forums at an appropriate level so that a practical method could be devised to encourage and enable the States to extend the required support for making them effective institutions to provide speedy and inexpensive redressal of consumer grievances.

- The Ministry should lay down the accounting procedure for the collections made by the Consumer Forums to ensure that the amounts realized as fee and deposits from the consumers and delinquent service providers are promptly deposited in the authorized destination accounts. This would prevent any risk of defalcation or abuse of the process of consumer grievance redressal.
- The Ministry in association with the National Commission may fix a threshold level of performance in terms of disposal of complaints and thereafter review the performance of the State Commissions and the District Forums.
- The Ministry may critically review the status of the infrastructure and staff strength in the State Commissions and the District Forums with a view to improving their position through State Governments.
- The Ministry should examine the necessity for reorganization of the Central Council by reducing its size to enhance its effectiveness and carefully monitor the outcomes of its meetings by instituting a mechanism so that its recommendations are acted upon in a time bound manner.
- The Ministry may, in close coordination with the State Governments encourage the State and District Councils to regularly conduct the meetings and monitor implementation of significant recommendations.
- The Ministry may persuade the State Governments to ensure that the decisions of the Commissions and District Forums are implemented promptly by discussing the requirements in appropriate high level meetings to impart a sense of urgency and importance to this vital requirement. Rationalization of the procedures and adequate empowerment of the consumer forums to ensure enforcement of their orders may be considered on priority.

Allocation of wheat and kerosene to States

†816. MISS ANUSUIYA UIKEY: Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether it is a fact that the Central Government allocates wheat and kerosene to States on the basis of the number of people living below poverty line;

(b) if so, whether wheat and kerosene are being allocated to States on the basis of prescribed norms; and

(c) the details of the people living below poverty line alongwith the allocation of wheat and kerosene, State-wise?

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (DR. AKHILESH PRASAD SINGH): (a) to (c) Government of India allocates wheat and kerosene under Targeted Public Distribution System (TPDS) to States/Union Territories (UTs) for Below Poverty Line (BPL) families.

Wheat: Allocation of foodgrains (including wheat) under the Targeted Public Distribution System (TPDS) is made for Below Poverty Line (BPL) including Antyodaya Anna Yojana (AAY) families on the basis of 1993-94 poverty estimates of the Planning Commission projected on the population

†Original notice of the question was received in Hindi.